

December 18, 2017

To Members of the United States Congress:

The Retail Industry Leaders Association (RILA) urges Congress to pass the conference report to H.R. 1, the “Tax Cuts and Jobs Act,” which is scheduled for floor consideration this week. The bill provides for comprehensive tax reform, which is critical to growing the economy and improving U.S. international competitiveness. It accomplishes these goals by doing, among other things: immediately reducing the corporate tax rate from 35 to 21 percent; replacing our current worldwide tax system with a territorial tax system; and modifying individual tax rates, with a focus on providing a tax cut for middle income taxpayers.

RILA is the trade association of the world’s largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers located both domestically and abroad.

Over 42 million jobs in the United States are either in retail or supported by retail, making retail America’s largest private sector employer. With more than \$3.8 trillion in sales and hundreds of billions paid in wages, retail is one of America’s most powerful economic engines. In fact, consumer spending represents two-thirds of U.S. gross domestic product (GDP).

Despite the retail industry’s prominent place in the economy, retailers pay among the highest effective tax rates among U.S. industries. In 2016, retailers paid an average domestic effective tax rate of 34.6 percent. As a result, retailers paid \$32.5 billion in federal taxes, representing 11 percent of the total federal corporate income tax paid by all corporate taxpayers. This tax treatment for the retail sector stifles job creation, investment, and consumer savings for a sector so important to our nation’s economy.

It has been 31 years since the tax code has been fundamentally reformed. RILA and its member companies urge passage of the conference report to H.R. 1, “Tax Cuts and Jobs Act” to finalize this once in a generation opportunity to reform the tax code to benefit the economy and America’s workers, consumers, and businesses.

Sincerely,



Jennifer M. Safavian
Executive Vice President, Government Affairs